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ICC New Report Shows Steady Growth of Diverse Spend by Illinois' 'Big 5' Public Utilities

Springfield, IL – The first annual report issued by the Illinois Commerce Commission's Office of Diversity and Community Affairs finds that diverse spending by the state's largest investor-owned utilities has steadily grown from an average of 15% to nearly 33% percent of all procurement spending over the past five years, a collective increase in annual diverse spending of over \$2 billion. At the end of calendar year 2019, diversity spending among the 'Big 5' averaged 40% of their total procurement dollars. The report, which is available on the ICC website, provides a summary and analysis of data from five years of reports submitted by the five public utilities with the largest numbers of customers in Illinois.

The 'Big 5' utilities in Illinois include: Ameren Illinois, Commonwealth Edison (ComEd), Illinois American Water, Northern Illinois Gas Company d/b/a Nicor Gas Company (Nicor), Peoples Gas Light and Coke Company/North Shore Gas Company (collectively "Peoples Gas/North Shore").

"Five years of relationship building and collaboration with the utilities, not-for-profits, and other government agencies has proven successful in helping to level the playing field for diverse suppliers," said Jeanine V. Robinson, Director of the Office of Diversity and Community Affairs. "While tremendous progress has been made over a relatively short period of time, more important work remains."

In 2014, the General Assembly passed Section 5-117 of the Public Utilities Act which created annual reporting requirements regarding investor-owned utilities' supplier diversity outreach and inclusion by the ICC. The Supplier Diversity Statute created the Office of Diversity and Community Affairs to address the annual reporting and policy session requirements and to work with the regulated utilities to improve their supplier diversity. Diverse suppliers include minority, women, veteran, and small business enterprises.

"Illinois is one of a few states to mandate reporting of supplier diversity spend and goals by their regulated utilities. As a result, we continue to see notable progress from year to year," shared Sadzi Oliva, Commissioner and Chair of the Regulatory and Industry Diversity Select Committee at the National Association of Regulatory Utility Commissioners.

In 2017, Illinois also became the first state to mandate suppliers of wind and solar to report their efforts to diversify their supply chains. The ICC has initiated outreach efforts to the renewable energy industry to create a system of reporting and ensure compliance, as a result of these efforts increased compliance is expected in 2021.

With a heightened focus on improving diverse spend with Illinois-based suppliers, in 2020 the ICC sought diverse spending data for Illinois-headquartered businesses compared with total diverse spending. Another area of concern for the ICC has been to increase spending by the utilities on professional services, businesses that generally require professional licensure and/or degrees in the arts or sciences. While challenges remain, the report shows improvement has been made in the areas of engineering, environment and IT consulting.

"Over the past five years, the ICC has led a robust supplier diversity effort. This past year, the coronavirus pandemic has presented new challenges that have impacted diverse suppliers in our state. We remain committed to increasing diverse spending here in Illinois, and we look forward to addressing the challenges and opportunities that lie ahead," said ICC Chairman Carrie K. Zalewski.

A copy of the report can be found <u>here</u> on the ICC website.

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